

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-254

March 5, 2003

NORTHERN UTILITIES, INC.-MAINE  
Request for Waiver of Chapter 820

ORDER APPROVING  
COST ALLOCATION  
MANUAL

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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**I. SUMMARY**

In this Order, we approve Northern Utilities, Inc.'s Cost Allocation manual filed on January 7, 2003, in compliance with our January 3, 2003 Order in this docket.

**II. BACKGROUND**

On January 3, 2003, the Commission conditionally approved a cost allocation manual in this case subject to a modification of § 4. On January 7, 2003, Northern filed a revised cost allocation manual with the required modification.

**III. DISCUSSION AND DECISION**

The Commission's January 3, 2003 Order required Northern to substitute the following language (or similar language) in § 4 of its cost allocation manual to ensure consistency with Chapter 820.

Any Northern utility asset used by its non-regulated affiliate shall be charged to the affiliate at the tariffed rate, if available, or in the absence of a tariffed rate at the market price, if available, or otherwise at fully distributed cost.

In its Order, the Commission also indicated that Northern's original provision appeared to apply only to "future assets." It further stated that Chapter 820 envisions that when an affiliate uses a utility asset, whenever purchased, the affiliate should pay for the use of the asset.

Northern has changed § 4 of its cost allocation manual using the language noted above, which applies to all utility assets. We find that the cost allocation manual is consistent with the requirements of Chapter 820 and therefore, we approve the manual. The approval of the cost allocation manual does not preclude regulatory review of the costs included in any Northern rate proceeding.

Accordingly, we

**O R D E R**

That the Cost Allocation manual filed on January 7, 2003, is approved.

Dated at Augusta, Maine, this 5<sup>th</sup> day of March, 2003.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

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1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

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